

To the Honorable Judge Glenn,

My life savings were in Celsius. I trusted Alex. I pray and hope everyday you are doing everything in your power to rightfully return deposits back to customers.

I can't tell my wife and kids our retirement and dreams have been stolen from us. Life is stale, we need updates and silence is not the answer. Please I request you to help put the interest of unsecured creditors, or as Alex famously called his "community" first.

Celsius has hired the best lawyers in NYC to protect their executive management, and it is heartbreaking to see Celsius customers voices not being heard in the first-day presentations and motions set by Celsius.

Celsius Network Advertised as a "Bank"

Since the inception of Celsius, Alex and the company advertised its products as an alternative to traditional banking, not an investment opportunity. In dozens of interviews, he claimed how banks stole from its users with fees and lending our deposits, and Celsius gave most of the banks profits back to the community (source: <https://www.youtube.com/watch?v=m1Zqx618Tvg> CNBC interview at 0:02 seconds start).



Request 1: I would request you throw out the ToS that Celsius deceptively states that depositors "lent" our cryptocurrency to Celsius, as this was never advertised this way. Additionally, only US customers had access to "Custody" accounts, and non-US customers had no other choice but to put their funds in the "Earn" program which was advertised as an alternative to a bank account.

Celsius Network conducted "Delta-Neutral Strategies" to Generate Yield

It was never disclosed to customers the inordinate amount of risk customers was exposed to under the management of Celsius Network. Two months before pause of withdrawals, Alex in an CNBC interview specifically stated that "*Celsius only participates in delta-neutral strategy... Celsius doesn't bet on the markets going up or down...and Banks do that all day long with your money...what Celsius does is take all that profit and give most of it back to the community*" (source: <https://youtu.be/m1Zqx618Tvg?t=148> at 2:28 second start, CNBC interview with CEO Alex Mashinsky).

Request 2: I would request you hold Celsius Network accountable for misrepresenting delta-neutral risk.

Celsius had enough “Reserves” to meet obligations

Four days before withdrawals were paused (June 7th, 2022), Celsius posted an official statement on its blog that it had the reserves (and more than enough ETH) to meet obligations (source: Celsius Median Blog, <https://blog.celsius.network/damn-the-torpedoes-full-speed-ahead-4123847832af>). It labeled those against these claims as spreading “misinformation”, when in fact Celsius did not have that reserves as was revealed in its bankruptcy filing 30 days later.

Celsius continues to process withdrawals without delay. We have not had any issues meeting withdrawal requests. Celsius honors all withdrawals as quickly as possible and works hard to support customers if and when there are delays.

Celsius has the reserves (and more than enough ETH) to meet obligations, as dictated by our comprehensive liquidity risk management framework.

Alex also claimed in several interviews that Celsius had over \$2 billion on its balance sheet in reserves, more than any other crypto lending platform. For a private company that provided no public financial disclosures to its customers, the only word we had to trust was Alex and he stated that “*Celsius would take full responsibility if anything goes bad, that’s why we raised \$750 million*” (source: at 0:25 seconds, <https://twitter.com/cryptohunter0x/status/1545426359836606466?s=20&t=Nkg9N4tJqkk73gc1pTCDPQ>). It was only later determined during bankruptcy filings that this \$2B was based on illiquid CEL token holdings, which didn’t have enough liquidity for Celsius to ever be able to truly use those funds,

Request 3: I would request you hold Celsius accountable for misrepresenting to customers its balance sheet insolvency position since 2021, and incorrectly stating to customers that it had enough reserves to meet obligations.

In Conclusion

I want to thank you for your time. I, like many others, was lied to by Alex Mashinsky, and unfortunately many retail customers now have retirement plans, collage funds, emergency funds, tied up in this bankruptcy case. I hope you will find the best path forward for unsecured depositors.

There are several other parties interested in replacing Alex Mashinsky and putting together a better recovery option than Celsius Network to make depositors whole, I would humbly request that you cancel Celsius Network’s request for 120 days exclusivity and allow all parties to submit the best resolution path forward and as quickly as possible.

Sincerely,

Ashar Qureshi